

IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE: )  
 )  
SCOTTY'S HOLDINGS, LLC ) CASE NO. 18-09243-JJG-11  
 )  
Debtor. )

**OBJECTION TO DEBTORS' MOTION FOR AN ORDER (I) AUTHORIZING THE  
DEBTORS TO OBTAIN SECURED POST-PETITION FINANCING AND (II)  
GRANTING RELATED RELIEF**

Comes now Carmel Lofts LLC, (hereinafter "Carmel Lofts"), a landlord and administrative creditor of Scotty's Brewhouse Carmel, LLC, by counsel, and objects to the *Debtors' Motion for an Order (I) Authorizing the Debtors to Obtain Secured Post-Petition Financing and (II) Granting Related Relief* (the "Financing Motion") filed herein on December 27, 2018 (Docket No. 89). For its Objection, Carmel Lofts generally joins in the United States Trustee's Objection to the Financing Motion (the "Trustee's Objection") filed herein on January 10, 2019 (Docket No. 113). In further support of its Objection, Carmel Lofts states as follows:

1. On March 18, 2011 Carmel Lofts entered into a Lease Agreement with Detour1, LLC for the lease of business premises located at 110 West Main Street, Carmel, IN (the "Lease").
2. On February 28, 2014, Carmel Lofts and Scotty's Brewhouse Carmel, LLC ("Carmel Scotty's") entered into an Assignment, Assumption and Amendment of Lease (the "Lease Assignment") whereby Carmel Scotty's assumed all obligations under the terms of the Lease.

3. On December 11, 2018. (the “Petition Date”) Scotty’s Brewhouse Carmel, LLC, as well as a number of other Scotty’s entities filed these Chapter 11 proceedings, and the cases have been administratively, but not substantively, consolidated.

4. Pursuant to a First Day Motion, the Debtors sought authority to reject the Lease and following a hearing conducted on December 14, 2018, an Interim Order was entered authorizing the rejection of the Lease on or before December 31, 2018.

5. Subsequent to the entry of the Interim Order, the Scotty’s Brewhouse Carmel location was closed and possession was turned over to Carmel Lofts on December 31, 2018.

6. Carmel Lofts has not been paid rent due under the Lease for the period between the Petition Date and December 31, 2018 (the “Administrative Stub Rent”), among other amounts due to Carmel Lofts from Scotty’s Brewhouse Carmel, LLC.

7. The Financing Motion seeks to borrow funds on a secured basis that would obligate all of the Debtors, including Scotty’s Brewhouse Carmel, LLC, even though none of the funds would be utilized in any way to support any ongoing operations of Scotty’s Brewhouse Carmel, LLC. In addition, the Financing Motion seeks a priority administrative claim that would prime the Administrative Stub Rent claim currently held by Carmel Lofts.

8. Scotty’s Brewhouse Carmel, LLC has separate non-secured assets which may be utilized to fund its separate administrative expenses as well as potentially fund an unsecured dividend.

9. The funding sought in the Financing Motion would do nothing to support the reorganization prospects of Scotty’s Brewhouse Carmel, LLC, while diluting any chance of payment of administrative or unsecured claims of Scotty’s Brewhouse of Carmel, LLC.

Therefore Carmel Lofts objects to the terms of the Financing Motion providing for liens or claims against the assets of Scotty's Brewhouse of Carmel, LLC.

10. Carmel Lofts joins in the Trustee's Objection.

WHEREFORE, Carmel Lofts prays that the Financing Motion be overruled unless and until the provisions related to liens and claims related to Scotty's Brewhouse of Carmel, LLC are withdrawn; and for all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

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CERTIFICATE OF SERVICE

I hereby certify that on January 14, 2019, a copy of the foregoing was filed electronically. Notice of this filing will be sent to the following party/parties through the Court's Electronic Case Filing System. Party/Parties may access this filing through the Court's system.

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By: /s/ Jay P. Kennedy

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